

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE: APPLICATION OF TTI NATIONAL, INC. FOR)
APPROVAL OF A TRANSFER OF ASSETS FROM)
PT-1 COMMUNICATIONS, INC. AND PT-1 LONG)
DISTANCE.)

Docket No. 02-00899

TTI National, Inc. ("TTI"), by its undersigned counsel, hereby requests that the Tennessee Regulatory Authority ("TRA") approve this application to transfer PT-1 Communications, Inc. and PT-1 Long Distance, Inc. (collectively, "PT-1") presubscribed long distance customers to TTI's service in Tennessee pursuant to the provisions of Authority Rule 1220-4-2.56.

As grounds for this application the applicants state as follows:

INTRODUCTION

1. TTI is an interexchange carrier authorized to offer intrastate service in Tennessee and in 48 other states. TTI offers switched outbound ("1+"), toll free and calling card services and currently services more than 250,000 customers nationwide. TTI's services are marketed primarily to small business and residential customers. TTI is a wholly-owned subsidiary of WorldCom, Inc., a publicly traded company. Questions concerning this application may be addressed to TTI's attorney:

Henry Walker
414 Union Street, Suite 1600
P.O. Box 198062
Nashville, Tennessee 37219
(615) 252-2363

With a copy to:
Leigh Ann Cox
Manager, WorldCom, Inc.
500 Clinton Center Drive
Clinton, MS 39056

CK# 208702 25.00
PAID
8/28/02

THE PT-1 BANKRUPTCY

2. On March 9, 2001, PT-1 Communications, Inc. and PT-1 Long Distance, Inc. filed voluntary Chapter 11 Bankruptcy petitions in the United States Bankruptcy Court for the District of New York.
3. On March 7, 2002, an auction was held at which MCI WorldCom Network Services, Inc. ("MWNSI"), a subsidiary of WorldCom, Inc. made a bid for PT-1's assets, including but not limited to all U.S. based long distance customer accounts which have selected PT-1 as their provider for outbound and inbound switched services. Because MWNSI's bid was found to be the best offer for PT-1's¹ assets, the Bankruptcy Court entered an Order² authorizing the sale of substantially all of PT-1's assets, including without limitation, PT-1's customer base and Carrier Identification Codes ("CIC"), 101-6868 and 10-10-972, to MWNSI, free and clear of all liens, claims and encumbrances transferable to TTI National, Inc. at closing.
4. This transition in service will include appropriate, actual notice³ to each of PT-1's presubscribed customers, notifying them of the purchase, advising them of TTI's service and rates and providing information enabling such customers to choose another carrier rather than TTI, if they so choose. This notice is being provided in compliance with Authority Rule 1220-4-2.56 and with Rule (47 C.F.R. § 64.1120(e)(1) of the Federal

¹ PT-1's assets included but are not limited to, the long distance customer base, long distance revenue streams and accounts receivables, intellectual property, CIC codes, Access Carrier Name Abbreviation (ACNA) permits, records and certain prepaid expenses.

² Order pursuant to Sections 105, 363, 365, and 1146 of the Bankruptcy Code (i) Authorizing and Approving the Emergency Sale of Substantially All of Debtors Assets Free and Clear of Liens, Claims, and Encumbrances; (ii) Authorizing the Debtors to Sell such assets to MWNSI or its Designee; (iii) Authorizing and Approving the Terms of the Asset Purchase Agreement; (iv) Authorizing and Approving the Terms of the Management Agreement; (v) Authorizing and Approving Assumption and Assignment of Certain Executory Contracts and Unexpired Leases in connection therewith; (vi) Approving Exchange of Release and/or waivers pursuant to Bankruptcy Rule 9019, (vii) Authorizing and Approving the RFC Agreement; and (viii) Authorizing the Exemption of the Sale from Stamp and similar taxes.

³ The customer notice letters are included in Exhibit 1.

Communications Commission ("FCC") governing the sale and transfers of carriers' customer bases. PT-1, in cooperation with TTI, will send letters to all PT-1 customers notifying them that PT-1 will no longer be serving as a domestic presubscribed long distance carrier, and that beginning on or after December 31, 2002, service will be provided by TTI unless the customer chooses another another carrier.

5. Additionally, TTI will also send a written notice to the affected customers with information concerning TTI's services and rates. The notice will inform the customer on or after December 31, 2002, all "1+" calls from telephone lines previously served by PT-1 will be completed by TTI, unless the customer chooses another carrier. The customers will be informed that they will receive the same rates and services as those, which they were receiving from PT-1, without interruption and without need for action. The affected PT-1 customers will also be reminded that they are under no obligation to take service from TTI, and that each customer is free to select another company to carry their long distance calls. The customer will also be advised that they should not be charged any fee by the local phone company as a result of the change to TTI, and if any such fee is imposed, TTI will issue a credit for such charge to the customer. They will also provide the former PT-1 customers with a toll-free number to assist them if they have any questions regarding the transfer of their service.
6. TTI shall initially offer services that are of comparable quality and at the same rates that PT-1 currently offers its long distance customers for a period of at least 60 days. After that period of time, TTI reserves the right to change the rates it charges PT-1's former long distance customers in the future.
7. Expedited action on this application is requested in this instance allows TTI to provide a seamless transition to former PT-1 customers, while ensuring that the affected customers clearly understand available choices. The TRA should, therefore, approve the transfer of PT-1's customer base assets to TTI.

Respectfully submitted,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By: _____

Henry Walker

414 Union Street, Suite 1600

P.O. Box 198062

Nashville, Tennessee 37219

(615) 252-2363



DIAL
101-6868
LONG DISTANCE 24 HOURS-7 DAYS!

EXHIBIT

Dear Customer:

Great news regarding your long distance service! TTI National, Inc. ("TTI National") has acquired the customers of PT-1 (101-6868) and therefore, PT-1 will no longer be serving as your domestic presubscribed long distance carrier. TTI National is owned by WorldCom, Inc., one of the leading telecommunication companies in the world, providing superior service for many years. PT-1 has taken the necessary steps to ensure that you continue to receive quality long distance service at the same prices, without interruption and without any need on your part to take action. In addition, you will continue to be billed by your local phone company. On (date) or soon thereafter, when you dial "1+" from the telephone line now served by PT-1, your long distance calls will be completed by TTI National.

We are confident that TTI National is fully capable of providing reliable and economical telecommunications products. Of course, you are under no obligation to take service from TTI National. You may choose to select another company to handle your calls. If for any reason you decide not to stay with TTI National then we recommend that you choose a replacement carrier before (date), the planned date for the beginning of service conversion to TTI National.

We have made arrangements with TTI National to serve in our place by providing intrastate, interstate and international services to satisfy your telecommunications requirements. TTI National will soon send you a letter to provide you with information concerning your service.

If you have any questions, please call us at 888-660-5377. We thank you for your continued support and your business. We have enjoyed being your service provider.

Sincerely,

PT-1 Communications, Inc.
PT-1 Long Distance, Inc.

BY: _____